



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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Contact: Communications Division (619) 235-5725

FOUR U. S. SENATORS JOIN FORECLOSURE FREEZE MOVEMENT; SIMILAR LOCAL APPEAL MADE BY CITY ATTORNEY AGUIRRE

San Diego, CA—A local effort by City Attorney Michael Aguirre to temporarily stop foreclosures is picking up support from powerful national leaders. Yesterday, four U.S. Senators asked federal mortgage officials to halt foreclosures for 90 days.

To deal with the nation's mortgage crisis, New York Senator Charles Schumer, New Jersey Senator Robert Menendez, Ohio Senator Sherrod Brown, and Pennsylvania Senator Bob Casey, asked the new chief executives at Fannie Mae and Freddie Mac, which were recently taken over by the federal government, "to temporarily freeze impending mortgage foreclosures on loans held by the mortgage giants."

In a letter to the executives, the senators wrote that the mortgage moratoriums would give the companies "time to modify loans and make them affordable for struggling homeowners."

"Saving neighborhoods by keeping families in their homes is a better option than foreclosure, and a national consensus supporting that wisdom is galvanizing," said City Attorney Aguirre. "We are better served if we turn off the automatic foreclosure switch," he added.

Meanwhile, City Attorney Aguirre and the Attorney Generals from Florida, West Virginia, Connecticut, Illinois, and Indiana, are seeking to end foreclosures on predatory loans made by Countrywide Financial Corporation. The case will be reviewed by the Multi-District Litigation Panel (MDL) in Boston, Massachusetts on September 25, to determine where the case will ultimately be heard. The MDL panel consists of seven sitting federal judges, who are appointed by the Chief Justice of the United States.

In addition, House Banking Committee Chairman Barney Frank (D-MA) has called for Countrywide executives to halt foreclosures until federal legislation that provides \$350 billion for mortgage financing takes effect in October.

The Federal Deposit Insurance Corporation (FDIC) has stopped foreclosures on loans made by the IndyMac Bank, which the FDIC recently seized. As part of its action, the FDIC has ordered IndyMac to offer loan refinancing packages to its customers who have fallen behind on their mortgages.

(MORE)

Just recently, Robert Mooney, Chief Deputy with the Federal Deposit Insurance Corporation (FDIC), appeared before the City Council requesting that they support the City Attorney's resolution for a mortgage moratorium in the City of San Diego. The City Council opted to refer the resolution to the San Diego Community Reinvestment Task Force, co-chaired by Councilmember Tony Young, for its recommendation.

On July 23, 2008, the Environmental and Consumer Protection Unit in the City Attorney's Office filed a civil complaint in San Diego Superior Court against Countrywide Financial Corporation alleging that the lending institution engaged in a "pattern of unlawful, fraudulent or unfair predatory real estate lending practices" that has caused countless City of San Diego residents "to be in jeopardy of losing their homes through foreclosures."

To view the City Attorney's lawsuit, visit www.sandiegocityattorney.org, click Foreclosure Crisis.

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